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6 **UNITED STATES DISTRICT COURT**
7 **DISTRICT OF NEVADA - RENO**

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COUNSEL/PARTIES OF RECORD	
JUL 21 2011	
CLERK US DISTRICT COURT DISTRICT OF NEVADA	
DEPUTY	

6 **RALPH STEPHEN COPPOLA,**
7 **and**
8 **DOES I to XX,**
9 **Plaintiffs**

10 **vs.**

11 **DARREN K. PROULX, LAND**
12 **RESOURCE INVESTMENTS,**
13 **INC., LAND RESOURCE**
14 **MANAGEMENT, INC., and**
15 **MARINA COMMERCIAL OFFICES, LLC)**
16 **and**
17 **DOES I to XX,**
18 **Defendants**

CASE NO.: 3:2011cv00074

AFFIDAVIT IN SUPPORT OF
AMENDED MOTION FOR PARTIAL
SUMMARY JUDGEMENT

1. COMES NOW, Ralph Stephen Coppola, the named Plaintiff, herein, (hereinafter "Coppola") who being duly sworn, depose and say;
2. Coppola does make the following affirmation under penalty of perjury;
3. Coppola was the Nevada State Bar licensed "in-house" counsel to defendants.
4. As counsel for defendants Plaintiff came into confidential information that supports the allegations of this case.
5. Plaintiff, however, was hoping that defendants would file a responsive pleading to Plaintiff's Motion for Partial Summary Judgment which would obviate the need for an Affidavit disclosing confidential information.
6. Defendants, however, appear to have failed to file a responsive brief, which responsive brief appears to have been due on Monday, July 11, 2011.
7. The Nevada Rules of Professional Responsibility 1.6(b) and 1.9(c) allow the permissive disclosure of confidential information in limited circumstances.
8. Those permissive disclosures allow the using of information relating among other times (a) to the representation of a formerly represented client except as the rules would permit, such as in the instant matter where my services were used to commit

1 a fraudulent and (b) to establish a claim in a controversy between the lawyer and the
2 client.

3 9. Plaintiff was hoping to not have to rely on the permissive disclosure provisions of
4 Nevada Rules of Professional Responsibility 1.6(b) and 1.9(c), but the apparent
5 failure of defendants to answer requires such action.

6 10. Defendant Proulx at all times relevant was either or both the President or CEO of LRI.

7 11. Defendant Proulx at all times relevant was, without regard to community property
8 law, the sole shareholder of LRI.

9 12. Defendant Proulx at all times relevant was, without regard to community property
10 law, the sole shareholder of LRM.

11 13. During the late 1990's, Defendant Proulx, who is the current CEO and sole
12 shareholder of both Defendants LRI and LRM, was a builder who did work on
13 occasion for Richard "Dick" Ramsey ("Ramsey"). At some time during or before
14 1999, Ramsey incorporated Land Resource Concepts, Inc. ("LRC"). In 1999, the
15 California Department of Real Estate ["DRE"] issued a Public Report to LRC allowing
16 LRC to subdivide property located in California into a subdivision consisting of equal
17 undivided interests (each such undivided interest is an "Investment"). Shortly
18 thereafter, Ramsey sold LRC to Proulx. Thereafter LRC was renamed LRI

19 14. The Public Report for each Property contains, in a section entitled "Special Notes," a
20 disclosure that no representations may be made by subdivider or agent that a
21 Property has investment merit, future appreciation potential or may be used for any
22 purpose. Selling Defendants were or still are in the business of selling to investors
23 "LandBank" interests consisting of undivided real estate interests (Investments).

24 15. The Selling Defendants describe "LandBanking" generally as "the process of buying
25 and then holding real estate located in the path of urban growth for future sale."

26 16. LRI is engaged in a business that it characterizes as "making LandBanking available to
27 the average person."

28 17. LRI purchases or options real estate that is typically used for farming, in or near
Lancaster, California. Such real estate is then either further subdivided into sellable

1 parcels or marketed by itself. The marketable real estate shall be referred to as a
2 "Property."

3 18. Each Property is then further subdivided into multiple undivided real estate interests
4 (Investments), ranging from 32 Investments in one project to 300 in another.

5 19. There are 17 such projects or "Properties."

6 20. A Property is generally leased as farm real estate after LRI's purchase. The initial
7 lease is for five years at ONE DOLLAR (\$1.00) per year with options to extend on a
8 yearly basis thereafter. After the fifth year, the lease may be terminated if a
9 Property is sold by an Association, but the tenant has certain rights to complete its
10 operations for a given year.

11 21. The economic effect of the leases was to allow Selling Defendants or their associates
12 to purchase each Property for less than they otherwise would have paid, because,
13 essentially, the discounted lease amount offsets the discounted purchase price for
14 the Property.

15 22. Although the leases were disclosed to investors, the economic effect was not
16 disclosed to the investors.

17 23. At the time of subdivision of each Property into multiple undivided interests, certain
18 covenants, conditions and restrictions ("CC&Rs") were overlaid on each Property by
19 or on behalf of Selling Defendants or their associates.

20 24. Selling Defendants incorporate a California non-profit mutual benefit corporation
21 ("Association") that is prescribed by such CC&S.

22 25. LRI, as incorporator of each Association, adopts the original Bylaws for each
23 Association. As set forth in Section 1.21 of the [CC&Rs], and incorporated into the
24 Bylaws, Section 1.4 of the Bylaws, the Members of Record of the Association consist
25 of "any person, firm, corporation or other entity in which title to a Property Interest
26 is vested as shown by the Official Records of the Office of the County Recorder."

27 26. Section 3.1, entitled, Purposes and Powers, "[t]he Association is formed to provide a
28 mechanism to acquire the Property, assess the Members the requisite amounts to

maintain the Property and pay the real estate taxes and assessments. The Association shall have neither power nor authority to improve the Property or to develop the Property."

27. As of the time of filing, LRI has sold to more than 1,400 individual Investors holding approximately 2,000 Investment interests in approximately 17 projects.

28. All sales and their delivery thereof of the Investments are carried out or caused to be carried out through the mails or in interstate commerce, by any means or instruments of transportation.

29. The "list" price to purchase an Investment was:

\$8,500 to \$10,900 for 272 Investments,
\$13,500 to \$14,500 for 200 Investments,
\$15,000 to \$18,000 for 1,000 Investments, and
\$18,000 to \$20,000 for 1,000 Investments.

30. Gross initial-investment from the Investors and gross proceeds to the Selling Defendants is estimated to be approximately \$41,000,000.00.

31. No registration was made pursuant to 15 U.S.C. § 77e(a)(2) with respect to any Investment. [Affidavit ¶ 31.]

32. No registration statement was provided upon delivery of any Investment as required by 15 U.S.C. § 77e(c).

33. Originally LRC and then LRI both (1) sold the Investments to the investors, and, after the close of escrow for each Property, then (2) also managed the respective Association created by LRC or LRI to manage each respective Property.

34. In approximately 2010, LRM was formed to and in fact did commence management of the Associations, instead of LRI.

35. Since there are 17 active Properties, and each has its own respective Association, there are 17 active Associations.

36. Each purchaser of a Interest [Investment] receives a traditional recorded grant-deed evidencing the ownership of a Investment in a Property. Each grant deed gives the

1 Association an irrevocable power of attorney with regard to purchaser's Investment.
2 One purpose of the irrevocable power is to allow for an orderly and timely transfer of
3 ownership of 100% of the Investments in a particular Property upon the vote of the
4 super majority of members to sell.

5 37. The Associations include but may not be limited to the following (with date of
6 incorporation in California set forth in parenthesis): Cal Land Resources I Association,
7 Inc. (03/02/1999), California Land Resources II Association, Inc. (03/02/1999), Cal
8 Land Resources III Association, Inc. (03/02/1999), Cal Land Resources IV Association,
9 Inc. (03/22/2001), Cal Land Resources V Association, Inc. (03/22/2001), Cal Land
10 Resources VI Association, Inc. (03/22/2001), Cal Land Resources VII Association, Inc.
11 (03/22/2001), Cal Land Resources VIII Association, Inc. (01/12/2004), Cal Land
12 Resources IX Association, Inc. (01/12/2004), Cal Land Resources X Association, Inc.
13 (01/12/2004), Cal Land Resources XI Association, Inc. (01/12/2004), Cal Land
14 Resources 033 Association, Inc. (09/28/2005), Cal Land Resources 034 Association,
15 Inc. (09/28/2005), Cal Land Resources 008 Association, Inc. (12/08/2005), Cal Land
16 Resources 1011 Association, Inc. (12/08/2005), Cal Land Resources 027 Association,
17 Inc. (01/25/2006), Cal Land Resources 073 Association, Inc. (04/04/2007), Cal Land
18 Resources 1718 Association, Inc. (10/10/2007 ~ Dissolved), Cal Land Resources 1920
19 Association, Inc. (10/10/2007 ~ Dissolved), Cal Land Resources 009 Association, Inc.
20 (04/04/2008).

21 38. Plaintiff Coppola purchased and still owns one interest in Landbank 008, which is
22 managed by Cal Land Resources 008 Association, Inc.

23 39. The purported purpose for each Association is to allow the purchasers of the
24 Investments a mechanism for them to coordinate the management of all
25 Investments which constitute each Property.

26 40. By virtue of the CC&Rs, each Investment includes one membership interest in the
27 respective Association. The Investors use the respective Association to provide and
28 coordinate certain services such as paying property taxes, buying insurance, paying

1 for accounting and tax services, keeping a Property free of weeds, leasing the
2 Property and determining if and when to sell a Property. The owners are responsible
3 to pay a pro-rata share of the dues of the Association. The CC&Rs specifically
4 preclude the Investors, respective Association, or any other party from developing or
5 improving a Property in any way, or from otherwise enhancing a Property's value. It
6 is strictly to be held in the same condition that existed as at the time of acquisition
7 from LRI. However, in the case of one LandBank, LandBank III, after holding the
8 parcel for a few years, 100% of the Investors voted to change the bylaws and CC&Rs
9 to allow for seeking final map status.

- 10 41. Each Association also provides an organizational structure for the Investor to sell the
11 entire Property (i.e. sixty percent of the Investors may elect to sell the entire
12 Property) rather than just their individual Investment.
- 13 42. The Association for each Property is theoretically independent of the Associations for
14 each other Property, but in practice they have been jointly managed by the Selling
15 Defendants, with the exception of a Property known as Land Bank III, which has
16 required and received additional separate management.
- 17 43. Historically, all of the Associations have retained LRI to manage the Properties and
18 Associations, such as the collection of dues, the payment of property taxes and the
19 planning of the annual meetings; however, they are theoretically free to engage any
20 entity to perform such functions or to perform them "in house."
- 21 44. However, significantly, in practice, Defendant Proulx so controls the voting through
22 proxies that there has not been a change away from his companies as managers.
- 23 45. Selling Defendants have organized each annual meeting of each Association.
- 24 46. The annual meetings of each Association were historically batched together into a
25 set of meetings over one weekend in the same seminar room as organized by Selling
26 Defendants, although the 2011 meetings were all held jointly at the same time in the
27 same room, as organized by the Selling Defendants.
- 28

1 47. While at the time of the final closing for a Property, LRI has sold all Investments to
2 third parties and therefore owns no Investment in a Property, in practice, after close
3 of escrow, LRI, as a beneficiary of a mortgage, reacquires a Investments through
4 foreclosure when an Investor has failed to make their monthly payment as outlined
5 in the purchase promissory note.

6 48. One or more of Selling Defendants other than LRM have has acquired Investments
7 for their own accounts.

8 49. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law,
9 and applicable Regulations of the DRE and any limitations contained in any of the
10 Bylaws and CC&Rs ("Governing Documents") relating to action required to be
11 approved by the Members, the business and affairs of the Association shall be vested
12 in and exercised by, the Association's Board of Directors. The "Board may delegate
13 the management of the activities of the Association to any person or persons,
14 management company or committee, provided that notwithstanding any such
15 delegation the activities and affairs of the Association shall continue to be managed
16 and all Association powers shall continue to be exercised under the ultimate
17 direction of the Board." (Section 7.1). The Board may "[a]ppoint such agents and
18 employ such other employees, including attorneys and accountants, as it sees fit to
19 assist in the operation of the Association, and to fix their duties and to establish their
20 compensation." (Section 9.1(c)). "The Board may, from time to time, employ the
21 services of a manager to manage the affairs of the Association and, to the extent not
22 inconsistent with the laws of the State of California, and on such conditions as are
23 otherwise deemed advisable by the Board, the Board may delegate to the manager
24 any of its day-to-day management and maintenance duties and powers under these
25 Bylaws and the Declaration, provided that the manager shall at all times remain
26 subject to the general control of the Board." (Section 15.1).

- 1 50. However, in practice Defendant Proulx has, until the shareholders meeting held in
2 2009, been the sole president of each Association and controlled the Directors of
3 each Association.
- 4 51. Each purchaser of a Interest receives a traditional grant deed evidencing the
5 ownership of a Investment in a Property. Each grant deed is recorded with the
6 county upon close of the purchase escrow. Each grant deed gives the Association an
7 irrevocable power of attorney with regard to purchaser's Investment. The purpose
8 of the irrevocable power is to allow for an orderly and timely transfer of ownership
9 of 100% of the Investments in a particular Property upon the vote of the super
10 majority of members to sell.
- 11 52. Selling Defendants represented that by purchasing an undivided real estate interest,
12 individuals are able to participate in LandBanking a much larger piece of real estate
13 than they might otherwise be able to afford based solely upon their individual buying
14 power.
- 15 53. An important role of both LRI and LRM in managing the Associations was pitching
16 further sales.
- 17 54. While the Selling Defendants utilized newspaper ads, radio ads and other forms of
18 advertising, the great majority of sales occurred through word of mouth advertising
19 which was then used to funnel potential Investors to dinner seminars at which the
20 Investments were pitched.
- 21 55. Many of these seminars were pitched in languages other than English, to people who
22 did not speak English, but the sales documents for the Investments were in English
23 with no cross-checking on the represented facts.
- 24 56. Until approximately 2008 the publicly available representations made to potential
25 Investors explicitly included such representations as that the projects were a "proven
26 plan of real estate investment" and having a "high future profit potential."
- 27 57. On April 29, 2008, The Department of Real Estate filed a complaint against LRI and its
28 former attorney, now deceased, George R. Kucera, of advertising "between April 11,

1 2006 and on or about August 31, 2007," that included representations of the
2 Subdivision being a "proven plan of real estate investment" and having a "high future
3 profit potential," which advertising was "false and misleading," and constituted the
4 substantial misrepresentation of material fact." Upon information and belief, and
5 thereupon it is alleged, that such time period was the time period during which
6 LandBank 008 was for sale.

7 58. On July 17, 2008, the California Department of Real Estate filed against LRI an Order
8 to Desist and Refrain from "causing to be published advertisements which include
9 statements or representations which are false, misleading or deceptive in violation of
10 Section 11022 of the Code."

11 59. From and after some time in 2008 Selling Defendants changed their public
12 advertising to conform to the requirements of their real estate and subdivision
13 licensing.

14 60. However, from then after Selling Defendants also maintained a parallel, secret, and
15 guarded advertising programs that were shown or delivered only to certain trusted
16 associates of LRI and potential purchasers of Investments.

17 61. Plaintiff Coppola was not aware of such programs until a few days prior to his
18 resignation as counsel to Selling Defendants in May, 2010.

19 62. From and after some date in the 1990s, through at least 2010, Selling Defendants
20 allowed certain trusted salespeople and their associations to maintain websites not
21 utilizing the name of the Selling Defendants, but which contained advertising
22 material that was prohibited by the DRE and which were used to reach a broader
23 audience than advertising allowed by the DRE.

24 63. The prospective purchasers were then funneled to Selling Defendants.

25 64. As late as February 29, 2009, the Selling Defendants ran radio advertisements in
26 which Defendant Proulx stated that the public reports allow a "unique ownership
27 investment," that investors could make great profits in LandBanking, that an
28 investment in land can result in impressive profits for the savvy investor and that the

1 objective of LandBanking is appreciation in value of the land, all for the purposes of
2 monetary gain by investors.

3 65. As late at May, 2010, the Selling Defendants ran video advertisements in which it the
4 overriding theme is that Defendant LRI operates its LandBanking business so that
5 purchasers of interests are investors, and that the purpose of investing in such
6 business is to realize profit or appreciation, since "LandBanking is all about
7 investment."

8 66. In making sales of the Investments, the Selling Defendants presented that the land in
9 Lancaster (where the Properties are located) would be a very productive
10 "investment," because it was a developing expanding place, and that it is "it is best
11 to buy 'now' so that it could be sold for the most profit."

12 67. At the time of the sale of many of the Investments, the Selling Defendants, and,
13 thereafter, the Defendant Proulx, consistently assured potential purchasers of the
14 Investment that he would manage the property so that they would not have to worry
15 about management or management decisions.

16 68. The capital that is used to conduct operations of the Association (i.e. pay taxes,
17 insurance, accounting, etc.) is not part of any initial purchase of the Investments.
18 Rather, each of the Associations creates a budget and assesses members for their
19 pro rata share of expenses.

20 69. An individual Investor is powerless by himself or herself to affect the amount of dues
21 that are imposed.

22 70. Each Associations create a pro rata sharing of expenses among that Association's
23 members to maintain the entire respective Property.

24 71. That Association also creates a pro-rata sharing of proceeds, when the central
25 purpose of the Investment is made: the ultimate disposition of the entire Property.

26 72. This disposition can occur only if the Investors holding 60% of the Investments in a
27 Property choose to sell an entire Property.
28

1 73. Selling Defendants make money not only from the initial sale of an Investment, but
2 from at least six other revenue streams which are from: (1) providing services to the
3 Associations for the management of the Associations, (2) interest income on the
4 Investments that were purchased in whole or in part with a mortgage on the
5 Investment, (3) profit from the resale of Investments foreclosed upon when investors
6 fail to service such debt, (4) charging members of the Associations for a newspaper
7 owned by the Selling Defendants, (5) providing engineering services to obtain final
8 map status for a Property, and (6) providing services as a licensed real-estate agent
9 to market and sell a Property.

10 74. What the purchasers of a Real Estate Interest receive is a grant deed to an undivided
11 interest in real estate that is recorded with the local recorder.

12 75. As stated, the CC&Rs actually prohibit any development.

13 76. Purchasers, based upon the Governing Documents, are seemingly literally left to
14 their own devices for realizing upon their rights and can anticipate waiting an
15 indefinite period of time to realize appreciation, if any.

16 77. While what is sold is an undivided interest in real estate evidenced by a grant deed,
17 the grant deed is subject to CC&Rs which subject the ownership of the Interest to the
18 governance of the Association.

19 78. Plaintiff Coppola invested some \$16,000 as an investment.

20 79. Additionally, if all approximately 1,400 investors with approximately 2,000
21 Investments are considered, the average price to purchase an Investment has been
22 in the \$8,500 to \$20,000 range, resulting in gross initial investment from the
23 Investors and gross proceeds to the Selling Defendants of estimated at
24 approximately \$41,000,000.00.

25 80. Selling Defendants, as recently as 2010, utilized promotional materials suggesting
26 returns on investment of some 357%.

27 81. Until approximately 2008 the publicly available promotional materials and other
28 representations made to potential Investors explicitly included such representations

1 as that the projects were a "proven plan of real estate investment" and having a
2 "high future profit potential."

3 82. On April 29, 2008, The Department of Real Estate filed a complaint against LRI and its
4 former attorney, now deceased, George R. Kucera, of advertising "between April 11,
5 2006 and on or about August 31, 2007," that included representations of the
6 Subdivision being a "proven plan of real estate investment" and having a "high future
7 profit potential," which advertising was "false and misleading," and constituted the
8 substantial misrepresentation of material fact." Upon information and belief, and
9 thereupon it is alleged, that such time period was the time period during which
10 LandBank 008 was for sale.

11 83. As late as February 29, 2009, the Selling Defendants ran radio advertisements in
12 which Defendant Proulx stated that the public reports allow a "unique ownership
13 investment," that investors could make great profits in LandBanking, that an
14 investment in land can result in impressive profits for the savvy investor and that the
15 objective of LandBanking is appreciation in value of the land, all for the purposes of
16 monetary gain by investors.

17 84. As late at May, 2010, the Selling Defendants ran video advertisements in which it the
18 overriding theme is that Defendant LRI operates its LandBanking business so that
19 purchasers of interests are investors, and that the purpose of investing in such
20 business is to realize profit or appreciation, since "LandBanking is all about
21 investment."

22 85. While LRI initially does sell 100% of the Investments in each Property, the Selling
23 Defendants do not then walk away.

24 86. Rather, the Selling Defendants template is one in which their fortunes benefit not
25 only from the management of each Association, but from the fact that by increasing
26 the number of Associations increases the control of the Selling Defendants as
27 managers of each Association, and their profits from managing such Associations.
28

1 87. The Associations are then used as a platform to create further non-Association profit
2 to the Selling Defendants by promoting new sales of Investments in new Properties
3 not only at the annual meeting of the Associations, but through mailings throughout
4 the year.

5 88. But, Selling Defendants make money not only from the initial sale of an Investment,
6 but from at least six other revenue streams which are from: (1) providing services to
7 the Associations for the management of the Associations, (2) interest income on the
8 Investments that were purchased in whole or in part with a mortgage on the
9 Investment, (3) profit from the resale of Investments foreclosed upon when investors
10 fail to service such debt, (4) charging members of the Associations for a newspaper
11 owned by the Selling Defendants, (5) providing engineering services to obtain final
12 map status for a Property, and (6) providing services as a licensed real-estate agent
13 to market and sell a Property.

14 89. The fortunes of the individual investors are interwoven because at the time of their
15 purchase of the Investment, they cede control to the Associations to manage the
16 Property, of which the Investment is a constituent, and, significantly, should enough
17 of the investors in an Association fail to pay their dues, an individual investor can lose
18 that investor's Investment if the county forecloses on the property for taxes.

19 90. Plaintiff Coppola purchased his Investment with the expectation of profit from that
20 Investment.

21 91. There is no reason to purchase an Investment other than for investment purposes.

22 92. No investor can intend to use the real estate (such as for construction, camping or
23 fishing) that constitutes that Investment, because everyone is, in fact, precluded
24 from doing so by the Governing Documents.

25 93. Under the Governing Documents, it would be trespassing for an individual investor to
26 enter upon a Property without permission of the governing Association.
27
28

1 94. This is true even though, pursuant to the Public Report issued by the CA Department
2 of Real Estate, LRI legally could not refer to "investment merit" or the potential for
3 "profit" or "appreciation" to prospective purchasers in California.

4 95. The potential return comes from the farm lease income and the sale of each
5 Investment.

6 96. In making many of the sales of the undivided real estate interests the Selling
7 Defendants consistently assured potential purchasers of the Investment that Selling
8 Defendants would manage the property so that they would not have to worry about
9 its management or management decisions.

10 97. The Associations have always provided complete management and control of the
11 Properties, including, but not limited to, weed abatement, seeking potential buyers
12 for the Property, selling the Property, organizing all investor communications,
13 organizing all investor meetings, organizing all board meetings, providing a
14 mechanism for voting on all management issues concerning the Property, providing
15 information on the investment at annual meetings, ensuring all legal compliance,
16 suggesting whether certain Associations seek "final-map status" with the county to
17 enhance value, effectively determining what vendors Associations will deal with, and
18 paying property taxes to prevent a tax-sale. In turn the Associations are completely
19 controlled by the Selling Defendants through the proxy process.

20 98. Significantly, in practice, Defendant Proulx so controls the voting through proxies
21 that there has not been a change away from his companies as managers.

22 99. All decisions made at the annual meetings of each Association (other than board
23 selection) have historically effectively been made prior to the investors even arriving
24 to vote because Defendant Proulx controls over 50% of the voting power through
25 proxies.

26 100. Individual investors are powerless to effect change.

27 101. An individual Investor is powerless by himself or herself to affect the amount of
28 dues that are imposed.

1 102. A disposition can occur only if the Investors holding 60% of the Investments in a
2 Property choose to sell an entire Property.

3 103. Since Proulx effectively controls a majority of the votes through proxies, Proulx
4 effectively can block any sale of an entire Property.

5 104. Selling Defendants control the annual meetings of the investors.

6 105. Until 2010, Proulx has controlled the Directors of each Association.

7 106. For a majority of the period of time, through approximately 2009, each
8 Association each year voted Proulx as the President of each Association until 2009.

9 107. Even if Proulx did not so control the voting, the majority of the owners of interests
10 are "inexperienced and unknowledgeable members of the general public," because
11 Selling Defendants target sales at people without investment expertise, and, often,
12 without any other investment experience.

13 108. in making sales of the Investments, the Selling Defendants presented that the land
14 in Lancaster (where the Properties are located) would be a very productive
15 "investment," because it was a developing expanding place, and that it is "it is best to
16 buy 'now' so that it could be sold for the most profit."

17 109. That representation, had already been made prior to the contract formation.

18 110. At the time of the sale of many of the Investments, the Selling Defendants, and,
19 thereafter, the Defendant Proulx, consistently assured potential purchasers of the
20 Investment that he would manage the property so that they would not have to worry
21 about management or management decisions.

22 111. The value of my interest in Landbank 008 according to reports received from Mr.
23 Proulx is at best worth 2/3s of the purchase price, but only if I were to be buying a
24 similar interest from Mr. Proulx.

CERTIFICATE OF MAILING

I hereby certify that on this 21st day of July, 2011, I deposited the foregoing Affidavit in Support of Motion for Partial Summary Judgment into the US Mail, Postage prepaid, addressed to:

Robert A. Koenig
Ryan Kerbow
Alessi & Koenig, LLC
9500 W. Flamingo, Suite 205
Las Vegas, NV 89147



Ralph Stephen Coppola